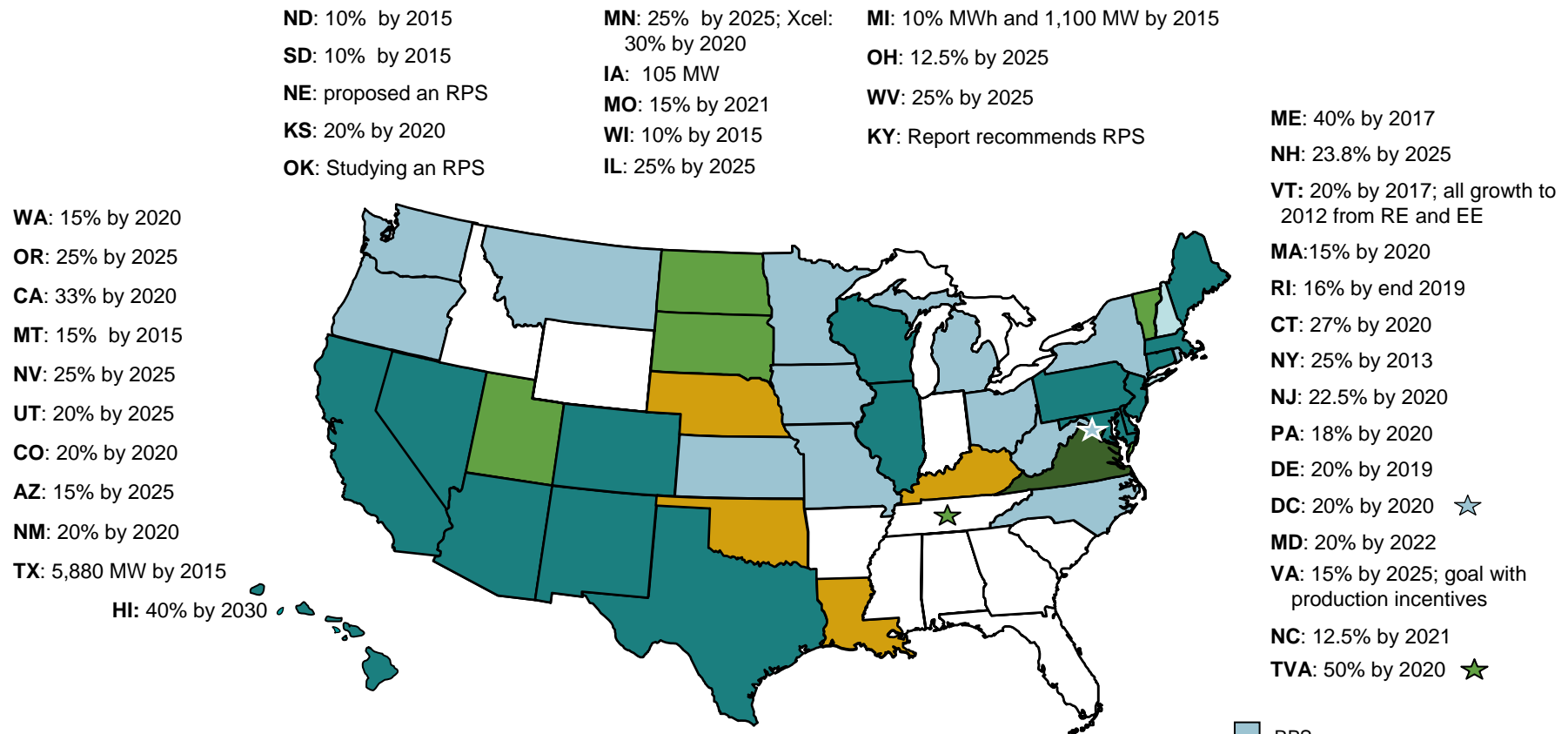


## 31 States including D.C. have Renewable Energy Portfolio Standards (RPS)



Updates at: <http://www.ferc.gov/market-oversight/otr-mkts/renew.asp>

**Notes:** An RPS requires a percent of an electric provider's energy sales (MWh) or installed capacity (MW) to come from renewable resources. Most specify sales (MWh). Map percents are final years' targets. \*TVA's goal is not state policy; it calls for 50% zero- or low-carbon generation by 2020. Alaska has no RPS.

**Sources:** Derived from data in: LBNL, PUCs, State legislative tracking services, Pew Center, and the Union of Concerned Scientists. Details, including timelines, are in the Database of State Incentives for Renewables and Energy Efficiency: <http://www.dsireusa.org>

# Renewable Energy Portfolio Standards

**A Renewable Portfolio Standard (RPS)** or Energy Standard (RES) requires a percent of energy sales (MWh) or installed capacity (MW) to come from renewable resources. Percents usually increase incrementally from a base year to an ultimate target. The percents shown on the map are ultimate targets.

- **31** states – including D.C. – have renewable mandates.
- **Five** have renewable goals without financial penalties.

## State Renewable Actions:

- **California** Gov. Schwarzenegger issued an Executive Order to increase the RPS to 33% by 2020 from 20% by 2010. Noting that RPS goals and those of the Global Warming Solutions Act (2006) are compatible, he directed the Air Resources Board to issue regulations for a 33% RPS under its emissions-reduction authority. The Governor vetoed two bills that raised the RPS to 33% but would have restricted renewable imports. (9/15, 10/11)
- **NYSERDA** – the **New York** State Research and Development Authority – will proceed with a 4<sup>th</sup> procurement auction, leveraging \$95 million in ARRA and renewable portfolio funds, with 10-year contracts awarded. It oversees renewables procurement for NY, one of two central procurement states. (8/20)

## National Renewable Actions:

- The American Clean Energy and Security Act (“Waxman-Markey”) passed in June includes a combined national energy efficiency and renewable energy standard. The renewable target begins at 4.5% of retail sales in 2012 and increases to 15% in 2020. 12 of 31 states currently have higher RPS targets:

Final Target	Number of States	RPS States with Renewable Portfolio Standards (RPS)
10% - 14%	6	IA, MI, NC, OH, TX, WI
15% - 20%	13	AZ, CO, DE, DC, KS, MA, MD, MO, MT, NM, PA, RI, WA
21% - 24%	2	NH, NJ
25% - 29%	7	CT, IL, MN, NV, NY, OR, WV
30% - 39%	1	CA
40%	2	HI, ME

## Feed-in tariffs (FITs) being introduced in U.S.:

- **What:** FITs, also called feed-in rates, are production incentives that pay a fixed rebate per kWh of energy produced. Payments are higher than for traditional power sources to incent new small- and medium-sized renewable energy projects. Unlike investment tax credits, FIT payments are output-dependent. Rules may set annual or total capacity caps.
- **Why:** The high fixed-rate payment should narrow the cost-of-entry gap for more expensive technologies such as solar photovoltaic (PV). FITs create incentives for operators to maintain equipment and run systems optimally to ensure profitability.
- **When:** FIT payments are guaranteed through fixed multi-year contracts. Their value often is set to decline in future years, but only for *newly installed* generation.
- **Returns on investment:** FITs give owners a predictable after-tax return and shorten investment recovery time. Utilities often may write-off FIT payments on state taxes.
- **Where:** 5 states and one community have approved FITs; they are being considered by Michigan, Indiana, and Minnesota:
  - **Washington's** Renewable Energy Production Incentive is 15¢/kWh for wind and solar up to 9 years. Its value increases for WA-manufactured inverters and PV panels. (5/05, 9/09)
  - **Gainesville, FL:** Touting its program as the first solar FIT “ordinance”, Gainesville will pay new PV 32¢/kWh for 20 years. The program has a 4 MW annual program maximum. (2/09)
  - **Oregon** created a solar PV pilot for IOUs. The PUC will set rates by April 2010 with 15 year contracts. (7/09)
  - **Vermont** enacted a FIT and proposed rates for new projects up to 2.2 MW: solar - 30¢/kWh, wind to 15 kW - 20¢/kWh; wind (> 15 kW), biomass and hydro – 12.5¢/kWh. Solar contracts will be for 10-25 years; others for 10-20 years. (5/09; 9/09)
  - **Hawaii** approved FITs to reduce its fossil fuel dependence. The PUC will set 20-year fixed rates for solar PV and CSP, on-shore wind and in-line hydro. (9/09)
  - **California** expanded its FIT for customer-generators to 3MW. It covers multiple renewable technologies for 10, 15, or 20-year contracts with investor-owned utilities. A proposed CPUC revision would implement a semi-annual auction. (8/09, 10/09)

**Abbreviations:** ARRA – American Recovery & Reinvestment Act of 2009; CSP – concentrating solar power; EE – Energy Efficiency; EERS – Energy Efficiency Resource Standard; FIT – feed-in tariff; IOUs – investor-owned utilities; PV – solar photo-voltaic; RES – Renewable Energy Standard; RPS – Renewable Portfolio Standard